



State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS  
101 SOUTH BROAD STREET  
PO Box 806  
TRENTON, NJ 08625-0806

RICHARD J. CODEY  
GOVERNOR

CHARLES A. RICHMAN  
ACTING COMMISSIONER

November 14, 2005

Dear Developer:

The New Jersey Department of Community Affairs (DCA) is accepting Request for Proposals (RFP) for its State Rental Assistance Program's (SRAP) Project-Based Set-Aside; 100 project-based vouchers are available.

The Project-Based Set-Aside will provide up to 10 years of rental assistance to existing housing, new construction and substantial rehabilitation projects. With the exception of existing housing, SRAP projects must target households or individuals at or below 40 percent of area median income. Priority will be given to projects that assist Division of Youth and Family Services families, elderly and special needs households. All applications under this RFP must be received by December 15, 2005.

If you have any questions regarding this process, please contact Debbie Heinz at (609) 633-6177.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lopa Kolluri".

Lopa Kolluri, Director  
Division of Housing

Attachment (SRAP RFP)

**State of New Jersey  
Department of Community Affairs  
Division of Housing**

**Request for Proposals  
State Rental Assistance Program (SRAP) – Project-based Assistance**

**Purpose and Description of Request**

The New Jersey Department of Community Affairs announces the availability of rental assistance grants for the purpose of creating and/or expanding permanent affordable housing. Seventeen (17) percent of the State Rental Assistance Program allocation or 100 SRAP vouchers are available for project based assistance.

This RFP invites eligible project sponsors to submit proposals for the purpose of awarding project-based housing vouchers through an open competitive process.

**Eligible Projects**

Eligible projects include:

- 1) Low Income Housing Tax Credit projects where the developer and/or general partners is a for-profit entity or;
- 2) Any permanent rental project where the owner and/or general partner is a nonprofit entity.

**Eligible Activities**

Eligible uses shall include existing rental housing, new construction, and substantial rehabilitation. One third of the available project-based funding will be awarded to new construction, one third of the funding will be awarded to existing units and one third of the funding will be awarded to either new construction, existing units, or substantially rehabilitated units based upon the response to this RFP.

Please note that no more than twenty-five (25) percent of the units in a building may have project-based assistance from SRAP or any Federal project-based housing assistance. Exceptions to this cap are:

1. Project-based dwelling units in a single family (one to four unit property); or
2. Units in a multifamily building (five or more) set-aside for the elderly or disabled.

### **Term of Assistance**

The term of assistance shall be for a maximum of 10 years, dependent upon continued funding availability and compliance with the terms of the Housing Assistance Payment Contract.

### **Eligible Households**

Eligible households shall include: Division of Youth and Family Services families, working poor, elderly (age 65 and over) and special needs populations. Households may earn up to forty (40) percent of the area median income. Households residing in existing housing may earn up to eighty (80) percent of the area median income.

### **Reasonable Rents**

Rents must be reasonable in comparison to other unassisted comparable apartments in the area. Applicants will be required to demonstrate the reasonableness of their rents by providing information about market rents for comparable units. Annual rent increases will be based on rent increases of comparable unassisted units. The owner must request annual rent increases with documentation of rent reasonableness.

In any project where the rents are restricted or will be restricted as a result of any governmental funding program (i.e. Balanced Housing, Federal HOME, Regional Contributions Agreements, inclusionary housing receiving COAH credit etc.), the maximum contract rent will be capped at the restricted rent of the funding program.

### **RFP Requirements**

Proposals should clearly state the amount of funds being requested through this RFP. Specifically the project narrative should include the following:

1. A full operating pro forma listing all incoming revenue delineated by unit type, supplemental income, and expenses anticipated to be incurred;
2. A development budget including acquisition, construction, soft costs, developer fees, all other operating costs and an operating reserve;
3. Commitment letters from funding sources;
4. Specific subsidy amount requested, the number of units that subsidy will assist and documentation to support rent reasonableness;
5. The timeline for activities including specific benchmarks for acquisition, assembly of the development team, plans and specifications, completion of financial approvals, municipal approvals, building permits, project construction start date and completion date;

6. Experience and qualifications of the project sponsor.

For existing housing, project sponsors must include documentation that the building is in good standing, i.e. property taxes and insurance is current. Documentation should include a list of occupied units providing household composition, gross annual income, and current rental rate and utility responsibility.

**Definition of Terms**

1. Rent burdened – A household is rent burdened when the cost of rent and utilities exceed fifty percent of the household's gross monthly income.
2. Special Needs Population – This population includes persons with mental illness, developmental disabilities, physical disabilities, HIV/AIDS, the elderly and victims of domestic violence.
3. Substantial Rehabilitation - Rehabilitation costs that exceed fifty percent of the value of the property.
4. Working Poor – Families with a gross annual income not exceeding forty (40) percent of the area median income; the source of income includes wages.

**RFP Submission**

All RFP's, including an original and five copies, are due by December 15, 2005 and should be mailed to the following address:

New Jersey Department of Community Affairs  
Division of Housing  
P.O. Box 051  
Trenton, New Jersey 08625

Attention: SRAP – Project-Based Assistance